

Washington Horse Racing Commission  
Meeting Minutes  
October 7, 2014

The meeting convened at 9:30 A.M. at the Auburn City Council Chambers, Auburn, Washington. Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Joe Schmick, Ex-officio Member; Matt Kernutt, Assistant Attorney General; Isaac Williamson, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of September 12, 2014.

Commissioner Macomber moved to approve the minutes with amendments as noted by Commissioner George. Commissioner George seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Chairman Colliton said directly following the main meeting, mandatory Commissioner Open Public Meetings and Open Public Records training will be conducted by Matt Kernutt and the public was invited to stay and attend if they wished.

Commissioner George had nothing to report. He mentioned the Gottstein Futurity outcome and the poor showing of the favorite "TrackAttacker".

Commissioner Macomber said he had attended Emerald Downs last day, he said it was an exciting day, great crowd and the Gottstein was a great race. It was unfortunate for "TrackAttacker" but that's horse racing. He said Emerald Downs closed a good season, he was happy to see the turnout.

Representative Schmick had nothing to report. Chairman Colliton thanked him for his continued attendance.

Item #3. Industry report:

a. Emerald Downs.

Bob Fraser, VP Operations reported for Mr. Crockett who wasn't in attendance. Mr. Fraser reported the handle to be the same, but said that closing day handle was up 6%. He reported that Emerald Downs was up 50% in attendance on the last day. He felt overall it was a good meet. Mr. Fraser reported attendance was up overall 6.7%; handle was down 2.3%; and the satellites were up 4.7%. He reported Advance Deposit Wagering was up as well. Ms. Sophia McKee, Marketing Director had conducted several marketing events that contributed greatly. He's looking for another strong meet next year.

Jack Hodge, Vice President, Emerald Downs said the race office had done a tremendous job. They've kept historical data beginning in 1996 through 2014 on horse trends and horse population. The average horse per race was 6.27 for 2014. The number of starters was down 9%. There were 42 Washington bred races in 2012 compared to 31 for 2014. Mr. Hodge said he would get this information to Mr. Moore to hand out to the Commissioners.

Ms. McKee reported on the Prodigious Fund that took place over the last weekend. The thoroughbred Showcase had 43 entries that were looking for new homes; three were a "no show"; and fourteen were sold. The average price was \$1500. Ms. McKee said there were some really nice prospects in the bunch. There was about 100 people in attendance and 20 serious buyers. Emerald Racing Club had two horses to race and they've sold one horse and the other is hopefully sold. A group that bought "Yodeler" will race here next year and they are calling themselves the "Left Coast Thoroughbreds." Financially for the Club, some layup bills for their second horse haven't come in yet, but hopefully the Club will earn about \$100-\$150 per person after all is settled, hopefully they will donate this to the Prodigious Fund.

b. WHBPA.

MaryAnn O'Connell, Executive Director, said their general meeting had been held and only about 40 members out of 1400 attended. She said it was a good meeting. Ms. O'Connell has had conversations with the State Actuary regarding exercise riders L&I premiums which still are too expensive. She's worried they didn't collect enough because of the horse population, enough money to cover a catastrophic event if one occurred. Ms. Allen said 26 claims were reported in 2014 and nothing catastrophic. Representative Schmick asked how much money is in the pool and what has changed. Ms. O'Connell said it's due mainly to less participants in the industry. They don't participate so no premiums are collected. Commissioner Macomber asked how long it took to have a catastrophic event taken off the records. Ms. Allen said she thought it took about five years.

c. WTBOA.

Anne Sweet, WTBOA, said the bad news is the Jockey Club released the number of mares bred in Washington, only 317 were bred compared to 405 in 2013. She said the good news is that 62% of the Washington bred, 52% were winners, and of those 24% were WTBOA sales horses.

Item #4. End of meet report - Equine Health & Safety report.

Dr. Sally Calkins, DVM, Equine Medical Director gave the 2014 report. Chairman Colliton asked how the communication between her and the backside vets was. Dr. Calkins reported it was much improved, it is tremendous compared to prior years. Commissioner Macomber asked about training fatalities, specifically Humeral fractures, Sally said there were 3, a two year old, a three year old and a 5 year old. Commissioner Macomber asked about prerace exams, was there more that could be done. Dr. Calkins said interestingly, the ones that seem questionable, don't turn out to be. Commissioner Macomber said he'd been reading about infrared scanning and asked if it would be of any value. Dr. Calkins said yes, but it is a question of costs. Commissioner Macomber said he'd looked into costs and didn't seem to think it was that out of the question. Dr. Calkins said mostly the horses are body sore, high up on their back. Dr. Bergam is really good to find that problem. Commissioner Macomber said it's possibly another screening tool to detect a problem. Dr. Calkins said most of the horses warm up out of it. Racing injuries were all over the place this year. Barn deaths were really different, one was tetanus; one skull fracture; one turned over in the stall; a vasculitis that started out as an infection and got so it inflamed entire nervous system. There was a possible EPM spinal cord histopath infection, the horse in question did not have gross symptoms of "wobbler" disease. There were no outbreaks, nothing contagious this year. Dr. Calkins mentioned the split sample labs that are listed for trainer's to use, some are not double accredited and the lab selected has to be able to test same as our lab, Truesdail, we need to make sure they can take the split sample if one is requested.

Commissioner Macomber said he was happy to see the low incidence of conular fractures. He asked about the cortisone levels, being low, close to be over the threshold on any of them? Dr. Calkins didn't know, due to not receiving levels unless they are over. She said none were over. It was a good year.

Chairman Colliton said we are moving closer to the model rules and appreciate the recommendation to do that. He wished her to enjoy her retirement. Carl Grether a new owner, from California, said everyone looks at the death scale and he said a lot of suspensory issues aren't watched. He felt that's a real good sign how things are going on the track. He asked if the regulatory vets talked to practicing vets on whats coming up and relate that to track management. Sally said no, they do not get that information, Jack said track management talks to the vets and seem more open talking with management. Mr. Grether said he thought infrared would tough to do, there wouldn't be any horses racing, there are issues all the time, it's just another cost to the owner to do the testing. Commissioner Macomber said this would be a joint scan only, it would not eliminate a horse, it would identify if a horse may be having a problem. Mr. Grether asked about the death rate in training, why that is, Dr. Calkins didn't know the reason. Ms. O'Connell said the injuries were all over the board, not able to pinpoint a cause, she felt the thresholds on steroids has helped tremendously. It has eliminated catastrophic injuries and that is the reason. Ms. O'Connell complemented Dr. Calkins on her job as Equine Medical Director. Mr. Hodge also commended Dr. Calkins and Dr. Bergam with the job they've done.

Item #5. ADW license renewal - XpressBet.

Mr. Moore presented the renewal application for XpressBet, Inc. Mr. Gene Chabrier, Director of Regulatory Affairs for XpressBet was present for questions. Mr. Moore said the examination of the materials for the renewal application was satisfactory and that staff recommended approval. Mr. Chabrier said that Washington wagers were up 22 percent year to date. XpressBet international exporting of American races was continuing to grow. Chairman Colliton asked about XpressBet's plan of operation, were there any changes. Mr. Chabrier said nothing in the near future.

Commissioner Macomber moved to approve the renewal application for XpressBet, Inc. Commissioner George seconded the motion. Unanimously approved.

Ten minute break. 10:29 A.M. Reconvened 10:39 A.M.

Item #6. Request for reconsideration Order of WHRC 2008-014 – William Christian.

Mr. Moore presented information regarding the background of William Christian. Mr. Christian was asking for reconsideration of the permanent revocation of licensing and all grounds under the jurisdiction of the Washington Horse Racing Commission. Mr. Christian is asking to be able to attend the public areas and to allow him to apply in other jurisdictions. Mr. Christian was present to answer questions. Mr. Christian said he was sorry. He said he had received a head injury and can't ride again. He thought he may apply to be agent or a groom license or something in that area.

Commissioner Macomber asked Mr. Christian what is different now, if the Commission gave reconsideration. Mr. Moore explained that some jurisdictions do not have reciprocity with the WHRC and Mr. Christian has been able to apply there. Mr. Christian said he had ridden in Montana, New Mexico and Boise two years ago. Commissioner Macomber asked in what states he would apply. Mr. Christina said Oregon at Portland. Chairman Colliton asked what he was doing now. Mr. Christian said

nothing since he hurt his head in Great Falls. Chairman Colliton told Mr. Christian that it was the decision of the Commission to lift the permanent revocation in Washington. If Mr. Christian was to apply for any license type, it would be dealt with at the time of application. The decision was effective immediately.

Item #7. Adoption hearing WAC 260-48-960 Handicapping contests.

Mr. Moore said staff is proposing to amend WAC 260-48-960 from a request from Emerald Downs. The amendment would allow association employees to participate in handicapping contests. This participation would only be allowed upon approval of the Executive Secretary and the employee would not be eligible for any prizes but would be used as a "benchmark" to determine winners. The current WAC strictly prohibits association employees from participating. No public comment was received on this amendment. Staff recommends adoption. Ms. McKee with this amendment it's another opportunity as a marketing tool; they tried to conduct a contest called "Beat Joe Withee" in handicapping but discovered that he couldn't participate.

Commissioner Macomber moved to approve the amendments to WAC 260-48-960. Commissioner George seconded the motion. Unanimously approved.

Item #8. Meeting Dates for 2015.

Mr. Moore presented the 2015 meeting dates. They will continue to be the second Friday of each month with the exception of May, July and December where no meetings will be conducted.

Commissioner George moved to approve the 2015 meeting dates. Commissioner Macomber seconded the motion. Unanimously approved.

Item #9. Executive Secretary report:

a. Wagering Recap for September 2014.

Mr. Moore said wagering for September was down 4.7 percent; for the live meet was down 2.3%; and for the year 4.7 percent.

b. Monthly Financial Statement.

Mr. Moore explained the revenues and expenditures. He reported the fund balance to be \$785,750. Commissioner Macomber asked about the beginning balance adjustment. Mr. Moore said that with the new accountant, some errors were detected and resulted in the adjustments.

Item #10. Any other business that may be properly brought before the Commission.

Chairman Colliton noting two members of the Board of Stewards were present thanked Kenny Doll and Amanda Benton on having a good meet.

Chairman Colliton reminded the audience of the date of the November meeting will be on the 7th rather than the 14th as previously published.

Item #11. Open public meetings and records training for Commissioners.

Matt Kernutt Assistant Attorney General presented the training regarding open public meetings and public records as required for Boards and Commissions by RCW 42.30.

Meeting adjourned at 11:50 A.M.

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Doug Moore, Executive Secretary